



Department of Medical Assistance Services
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www.dmas.virginia.gov

MEDICAID MEMO

TO: All Ground, Air and Neonatal Ambulance, All Managed Care Organizations (MCOs) and Providers participating in the Virginia Medical Assistance Program

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services

MEMO: Special
DATE: 03/01/2008

SUBJECT: Billing for Emergency and Non-Emergency Transportation Services – Effective 04/01/2008

The purpose of this memorandum is to inform ambulance providers about two issues regarding the payment and authorization of emergency and non-emergency transportation. These changes affect fee-for-service providers but do not affect their contracts between providers and Managed Care Organizations.

Medicare “Crossover” Claims

The first issue deals with the processing and payment of Medicare “crossover” claims. Medicare “crossover” claims are those claims for which the transportation provider first bills Medicare for payment, and then the claims automatically “cross over” to Medicaid for any appropriate additional payment. The process for how these crossover claims are reimbursed by the Department of Medical Assistance Services (DMAS) was outlined in a special Medicaid Memo entitled “Changes in Billing for Medicare ‘Crossover’ Claims”, issued on October 28, 2003. The Medicaid Memo is available on the DMAS website at <http://www.dmas.virginia.gov>. This memorandum explained that the amount paid by Medicaid, in combination with Medicare or other third-party payment, will not exceed the amount Medicaid would pay for the service if it were billed solely to Medicaid. This payment methodology is also required by regulations governing the administration of Virginia’s Medicaid program.

A recent analysis of how these “crossover” claims are being processed for payment to ambulance providers found that the claims were being paid incorrectly and that additional Medicaid payments were being made in conflict with the payment methodology outlined in the 2003 Medicaid Memo and the program regulations. Accordingly, the Department must make the necessary corrections to our claims processing system such that Medicare crossover claims are paid in accordance with the regulations and the guidance previously sent to providers in the Medicaid Memo.

Effective for claims on or after April 1, 2008, crossover claims submitted to DMAS or its fiscal agent, First Health Services Corporation (FHSC), will be processed by DMAS in the correct manner. Because Medicaid reimbursement for these services is less than 80% of the Medicare payment level, Medicare crossover claims will be paid at \$0.00 with the claims edit 364 ("Exceeds Medicaid Allowed Amount.") Since crossover claims were paid incorrectly, it may be necessary to recover the amount paid in excess of the allowed amount. Providers will be notified individually if any recovery is required.

Prior Authorization of Non-Emergency Ambulance Trips

The second issue to be addressed in this Medicaid Memo is payment for Fee for Service (FFS) non-emergency claims. In order to receive payment from Medicaid, all non-emergency trips must be pre-authorized by LogistiCare, the Non-Emergency Medicaid Transportation Broker. Trips denied by Medicare cannot be paid as non-emergency trips by LogistiCare without a preauthorization number. Prior to making a non-emergency transportation trip, call LogistiCare at 1-866-809-4620 for a pre-authorization number. This is important if you respond to a 911 call and, on the scene, determine that it does not fit the criteria of an emergency trip. The mailing address for billing is 798 Park Avenue NW, 5th Floor; Norton, VA 24273. If Medicare denies payment, transportation providers have 90 days to submit the claim to LogistiCare.

More Information

Information regarding both of the issues addressed in this Medicaid Memo will be reflected in a revised Chapter V: "Billing" in the DMAS Transportation Manual which will be issued in March, 2008. Also, the DMAS Transportation Unit will be providing training in March that includes the proper utilization and billing instructions for the following forms, DMAS Form 30R, DMAS Form 31R and the CMS 1500 Form. This training will be conducted via Webex, a web-based tool for conducting interactive training sessions. Please contact Transportation@dmass.virginia.gov by March 12, 2008 to register for this training. Documents from the training will be sent to your e-mail address before the training. The dates and times are as follows:

- March 13 at 9:30 AM
- March 14 at 1:30 PM

If you need further assistance, the "HELPLINE" is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. Please remember that the "HELPLINE" is for provider use only. The "HELPLINE" numbers are:

804-786-6273	Richmond area
1-800-552-8627	All other areas